

The goal of this demonstration is to use bundled payments for certain high-volume, high-cost procedures to align hospitals' and physicians' incentives to work together to provide coordinated, cost effective care. By giving hospitals and physicians the flexibility to allocate resources as they determine most appropriate, services can be better coordinated to improve the quality of care provided to beneficiaries as well achieve savings to the Medicare program.

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Current Status

Plans to implement this demonstration were suspended in the fall of 2002. Since initiating this demonstration in 2000, CMS has received numerous requests for copies of the application form by hospitals and health plans throughout the country seeking to develop and improve their total joint replacement and/or cardiovascular services programs. As a result of the continuing interest and our experience reviewing the applications that were submitted, CMS decided to revise the application format and selection criteria and make this information available. The main focus of the revisions were to streamline the data submission format and reduce the effort necessary to complete the application, improve the consistency in format and nature of data submitted by applicants, and focus on those areas which were believed to clearly distinguished high quality programs. The revisions were based on recommendations made by panels of independent clinical experts with extensive practice experience in their field as well as experience reviewing previous demonstration applications in the original format. Accompanying the application are guidelines for evaluating applications and a scoring sheet to be used by reviewers. These guidelines are intended to assist the technical expert in conducting a fair and consistent review of applications. There is no pre-determined score that an applicant to the demonstration would have to receive although quality programs are expected to provide high quality, consistent clinical care, and have the capacity to handle all types of patients and complications. Moreover, CMS believes they should exhibit an active commitment to ongoing quality improvement and employ the information systems and organizational and administrative structures necessary to support high quality, coordinated, cost effective care.

(See downloads area below for more information).